

Workforce News

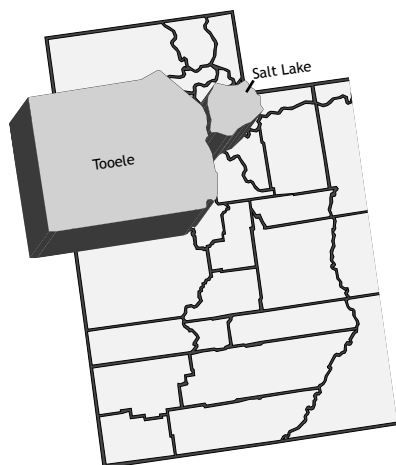
June 2006

A publication of the Department of Workforce Services



Wasatch Front South: Salt Lake, Tooele

jobs.utah.gov



Tightness in the Job Market

In Salt Lake and Tooele counties, the economy, with strong job growth and low unemployment, is expanding at a healthy pace across all major industrial sectors. The labor market has changed from the situation earlier in the decade of too many workers seeking too few jobs (an employer-favorable market), to a tight market in which employers say that there are not enough available workers with the skills they need to fully staff their enterprises.

When an area's unemployment rate drops below 4 percent for a sustained period of time, as it has along the Wasatch Front, employers find it increasingly necessary to compete for workers. Businesses often must increase their training programs in order to upgrade the skill levels of the workers available for hire. Ultimately, when demand for labor exceeds supply, its price—that is, wages—will increase. Sustained shortages inevitably increase prices.

Inside:

✦ Check it Out

✦ County News

✦ What's Up?



Contact the author, your regional economist, with any questions on content:

James Robson
801-526-9626
jrobson@utah.gov



(continued on page 2)

Find your county's economic information at:

<http://jobs.utah.gov/opencms/wi/counties>

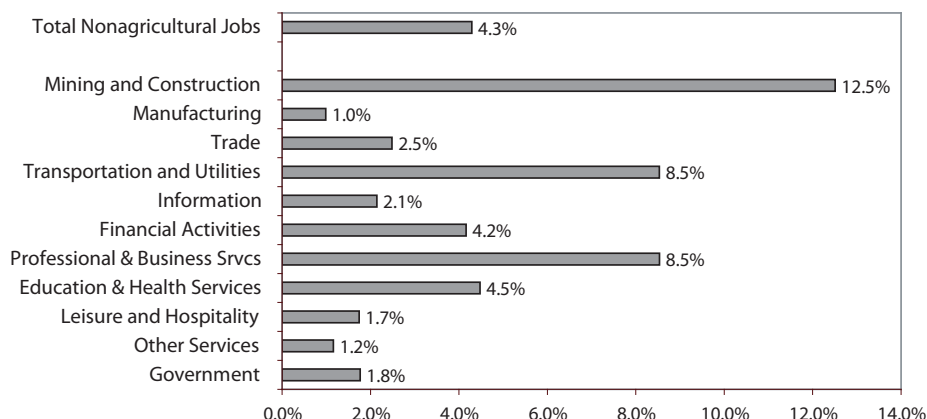
Tightness in the Job Market

(continued)

When job opportunities are relatively plentiful and unemployment is low, economists will characterize the labor market as having reached full employment. To the person on the street the question arises, how can any level of unemployment be considered full employment?

In a dynamic, expanding, free market economy there are two types of unemployment that are considered natural in that they will always and necessarily exist. First, there is unemployment due to normal turnover of people moving in and out of the labor market as a result of educational, lifestyle, or occupational choices. Students graduate and become new entrants to the labor force. People reduce or leave employment to have children or to attend to the health needs of a family member. People change their career direction in pursuit of a more fulfilling or lucrative

Non-Farm Job Growth in Wasatch Front South: 4th Quarter 2004 to 4th Quarter 2005



Source: Utah Department of Workforce Services.

occupation. In the best economy, there are many workers who are temporarily between jobs. Economists refer to this as frictional unemployment.

Second, there is structural unemployment. The changing structure of industries by technology, automation, consumer tastes, or other similar reasons, results in jobs being lost in some areas or occupations.

There are also industries with pronounced seasonal work, such as construction, retail trade, and recreation, with substantially higher and lower demands at different times during the year.

Regardless of how you define full employment, this is a strong job market for workers.

Check it Out

Subscribe to get email updates on the economic data you need.

It's easy. Simply log on to <http://jobs.utah.gov/opencms/wi>, scroll to the bottom and click on "sign up" to select updates you want to receive.



County News

Now that many of the statistical measures of economic activity for 2005 have been tallied, a clear picture of vitality has been documented. Economic conditions in Salt Lake County ended the year on a particularly positive note. Job growth in the fourth quarter of 2005 was up by 4.1 percent compared to the previous year, with a net gain of 22,280 payroll jobs since the fourth quarter of 2004.

Employment gains were broad-based, occurring among all major industrial sectors. The strongest job growth occurred in professional and business services, increasing by 7,240 or a year-over growth of 8.6 percent. While interest rates have increased slightly from their record low rates, construction jobs increased at a robust rate of 11.5 percent, with 3,700 more workers. Other industries with a significant number of new jobs in the fourth quarter of 2005 compared to the previous year were: trade (2,180), healthcare (1,900), and financial activities (1,825).

Other important indicators of Salt Lake County economic vitality include \$4.9 billion in taxable sales, increasing by 11.3 percent in the fourth quarter compared to a year ago, and \$570 million in permit-authorized construction, increasing by 39.3 percent compared to fourth quarter 2004.

Tooele County: The big labor market story for Tooele County in 2005 was the nearly 1,000 job increase in transportation and warehousing. The Wal-Mart distribution center in Grantsville, with announced hiring in excess of 700 positions, has been the major contributor to the total Tooele County employment gain of 1,720 jobs at the end of 2005 compared to 2004. There were also notable employment gains in accommodation and food services (183) and in construction (172).



What's Up?

✧ The Miller Motorsports Park is ready to open this summer. This is a world-class, \$80-million dollar, 4.5-mile racetrack developed by Larry Miller in Tooele County.

✧ In the first quarter of 2006, the median price of a single-family house in Salt Lake County rose to \$200,747, up 16.7 percent from \$172,000 in the first quarter of 2005, according to the Wasatch Front Regional Multiple Listing Service.

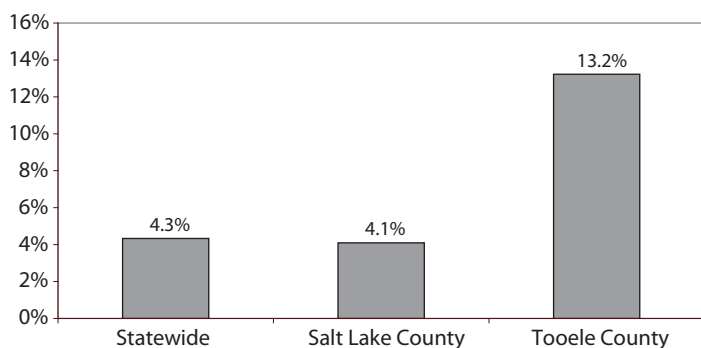
✧ The South Towne Center mall, 10450 S. State, announced plans to build a 100,000-square-foot lifestyle center onto its west side, creating the state's first hybrid, indoor/outdoor shopping mall. The Village at South Towne Center, which will be connected to the mall between Dillard's and Meier & Frank (soon-to-be Macy's), will include about 20 retailers and restaurants positioned around a central outdoor plaza.
—Deseret Morning News

✧ IKEA, the Sweden-based home furnishing retailer broke ground on what will be its first store in Utah, located in Draper to the north and west of I-15 and Bangerter Highway. When complete, the 310,000-square-foot store will employ 300 to 400 workers, house 10,000 items and include 50 room settings, three complete home displays, a restaurant and bistro.
—Deseret Morning News

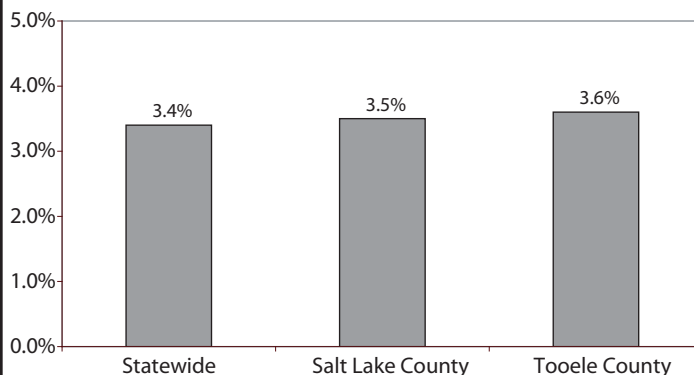
Wasatch Front South: Salt Lake, Tooele

jobs.utah.gov

Nonfarm Job Growth:
December 2004 to December 2005



March 2006 Unemployment Rate
(seasonally adjusted)



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

03-51WS-0606